

JAPAN-SOVIET TALKS

- I. Japan awaits final word from USSR on start of peace treaty talks. Japanese hope negotiations will begin in New York soon after 1 April.
  - A. USSR at first rejected New York as site, later agreed to any location desired by Japanese.
  - B. Latest exchange was on 23 Feb, when Japanese reaffirmed choice of New York. Soviet answer not yet received.
- II. Soviet approach to Japan facilitated by recent election campaigning, when Hatoyama promoted theme of Japan-Orbit friendship.
  - A. Said Hatoyama: "Is my intention to open way for world peace by starting free intercourse and expanding trade with the Soviet Union and Red China, and thus normalize relations with these countries."

- B. In Dec '54, Molotov stated USSR took "positive" attitude toward Japan's desire establish normal relations.
- C. On 25 Jan, head of unofficial Soviet mission in Tokyo presented unsigned, undated note directly to Hatoyama (short-circuiting foreign ministry), stating Moscow prepared nominate representatives for negotiations.
- D. Foreign Ministry had previously refused to accept note, lest action give Soviet mission de facto recognition.

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III. A Japanese official has told FEC that Japan will enter talks with following demands:

A. Return of southern half of Kurile

island chain, also Shikotan, Habomai islands.

B. Permission to fish in waters off

Kamchatka up to Soviet 12-mile limit (30-mile limit now observed by Japanese).

C. Soviet support for Japan's membership in the UN.

D. Completion of return Japanese POW's (USSR claim only 1200 remain; Japs put figure at 10,000-12,000).

IV. Foreign Ministry recognizes that Japan's bargaining position virtually nil, doubt that Soviets will return any territories.

A. Ministry officials nonetheless hope for some sort of "package" in exchange for end to state of war.

B. However, Hatoyama favors first ending state of war, leaving territorial and other problems for negotiation later.

C. If Soviets suggest this, Hatoyama

likely to overrule his negotiators

for sake of hollow diplomatic "triumph."

V. If Japan insists on discussing territories, Soviets will almost certainly bring up the question of US bases in Japan, Okinawa, Bonins.

A. Japanese public tends to equate Soviet-held Kuriles with US-occupied Okinawa.

B. USSR, however, considers Kuriles lawfully Soviet as result Yalta. No likelihood USSR would return any part.

C. Moscow might suggest that discussions on Kuriles await time when Okinawa and Bonins returned to Japan.

1. This could stimulate irredentist sentiment in Japan.

D. Return of Habomai, Shikotan likewise not probable.

1. If Soviets should offer return, however, "generosity" could be ex-

2. Japanese Govt. might also use

such Soviet offer as lever against  
continued US holding of Okinawa,  
Bonins.

VI. No indication yet that Soviets will  
attempt to include all Orbit in negotia-  
tions.

A. Chou has said that ChiComs would not  
seek diplomatic relations at this  
time.

B. Poles have made approach, but Japanese  
intend to hold off until after talks  
with USSR.